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IN THE

Supreme Court of the United States

October Term 1972
No. 72-6576

E. CHRISTMAN DAWN, individually and doing business as THE GAME COMPANY,

Petitioner,

vs.

STERLING DRUG, INC., and DANCER-FITZGERALD-SAMPLE, INC.,

Respondents.

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

PETITION NOT PRINTED

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To the Honorable Chief Justice and Associate Justices of the Supreme Court of the United States:

Respondents Sterling Drug, Inc., and Dancer-Fitzgerald-Sample, Inc. herewith oppose the Petition for Writ of Certiorari.

Jurisdiction.

Respondents agree with the Petitioner's Statement of Jurisdiction except that Respondents contend that this Court lacks jurisdiction to review one of the grounds raised by Petitioner.

Statement of the Case.

The subject of this case is the phrase "Tower of Babble". Petitioner manufactures and sells an educational language game under the name "Tower of Bab-

ble". Petitioner allegedly registered the name "Tower of Babble" with the United States Patent Office in 1962 and with the Secretary of State of California in 1968 as a trademark for "equipment sold as a unit for playing an educational language game." Respondent, Sterling Drug, Inc. (hereafter "Sterling") manufactures a diversity of products, including Bayer Aspirin. Respondent, Dancer-Fitzgerald-Sample, Inc. (hereafter "Dancer"), is an advertising agency employed by Sterling, and as part of its promotion for the sale of Bayer Aspirin had created a certain print advertisement wherein the phrase "Tower of Babble" appeared as a descriptive caption.

The Bayer Aspirin advertisement depicted a stack of assorted pills and headache remedies with the caption "Tower of Babble" beside the stack. Below that appeared a text which stated: "Confused by claims? by shapes and sizes? by strange-sounding ingredients? When you need fast relief from headache pain, don't forget this fact: Bayer ® is 100% aspirin. And aspirin is the strongest pain reliever you can buy. No wonder Bayer works wonders."

The foregoing factual background spawned two actions. The first was filed by Petitioner in the Superior Court of the State of California for the County of Los Angeles, bearing case No. NEC 7760 (hereafter "State Action"). The State Action was filed on or about October 30, 1968. Attached as Appendix C to the Petition for Writ of Certiorari is a true and correct copy of the decision rendered by the Court of Appeal of the State of California, Second Appellate District, Division One, in the matter of "E. CHRISTMAN DAWN, individually, and doing business as THE GAME COMPANY, Plaintiff and Appellant, vs. STERLING DRUG,

INC., and DANCER-FITZGERALD-SAMPLE, INC., Defendants and Respondents" (2nd Civ. No. 37416, Superior Court No. NEC 7760) filed December 1, 1971. On December 30, 1971, that Court denied Petitioner's Petition for Rehearing and on January 26, 1972, the Supreme Court of the State of California denied Petitioner's Petition for Hearing. Thereafter, Petitioner filed a Petition for Writ of Certiorari in this Court, bearing No. 71-6751 and by order dated October 10, 1972, this Court denied that Petition for Writ of Certiorari and on January 8, 1973, this Court denied Petitioner's Petition for Rehearing in connection with the Petition for Writ of Certiorari.

Petitioner filed the second action in the United States District Court on May 5, 1969 (hereafter "Federal Action"). It is the second action which is the subject of this Petition for Writ of Certiorari. The Federal Action alleges four causes of action for: trademark infringement, dilution of trademark, injury to business reputation and unfair competition.

The District Court granted summary judgment in favor of Sterling and Dancer on the issues of trademark infringement, injury to business reputation and unfair competition. Dawn appealed and the United States Court of Appeals for the Ninth Circuit affirmed on the ground, *inter alia,* that by virtue of the State Action judgment, Dawn is collaterally estopped from contending that the facts of this case give rise to any trademark infringement, injury to business reputation or unfair competition. Respondents also appealed from a separate aspect of the District Court's judgment but that appeal is not the subject of this Petition.

Reasons for Denying the Writ.

Petitioner first complains that the summary judgment entered against him in the State Action was obtained without due process. He argues that the failure to accord him due process in the State Action prevents the collateral estoppel effect of that judgment. However, the supposed violation of due process is nonexistent.

The record before the Court of Appeal for the State of California disclosed the undisputed facts that in moving for summary judgment, Respondents used and relied upon Petitioner's signed, sworn deposition. The deposition was lodged with the Court prior to the hearing on Respondent's motion for summary judgment and filed the day thereof. Several months thereafter, the same court considered a rehearing of that motion and still had before it the signed transcript of Petitioner's deposition.

Petitioner appealed the granting of summary judgment in favor of Respondents. On appeal, Petitioner contended for the first time that the court improperly considered his sworn, signed deposition because California practice requires a moving party to present his factual showing by affidavit. Petitioner argued in the alternative that the court improperly considered his deposition because the deposition was merely lodged with the court and not formally filed until the day of the hearing. The California Court of Appeal rejected each procedural point raised by Petitioner, characterizing them as "frivolous". In effect, the Court of Appeal held:

> (a) That a sworn, signed deposition is the same as an affidavit for purposes of California practice requiring a factual showing before granting sum-

mary judgment. This holding is supported by identical decisions in other reported California cases;

(b) That it is sufficient, for purposes of California practice, to lodge a deposition with the trial court, the essential issue being whether it is available to the trial court.

The California Supreme Court refused to review the decision of the California Court of Appeal and this Court refused to grant a Petition for Writ of Certiorari to review those issues which Petitioner now raises as a bar to the collateral estoppel effect. (Docket No. 71-6751.)

The thrust of Petitioner's argument is essentially not one of the violation of due process, inasmuch as Petitioner cannot validly contend that the deposition upon which summary judgment was granted was not before the trial court for its consideration. Rather, Petitioner has always contended, heretofore, that there is a technical failure to comply with the exact language of the California statute, *i.e.*, lodging the deposition rather than filing it. This being a federal court, there is no jurisdiction to review decisions of the California courts on matters of procedure under California law.

United States v. Pink (1942), 315 U.S. 203; 86 L ed 796; 62 S.Ct. 552;

Milk Wagon Drivers U. v. Meadowmoor Dairies, Inc. (1940), 312 U.S. 287, 296; 85 L ed 836, 843;

Chicago Life Ins. Co. v. Cherry (1917), 244 U.S. 25, 30; 61 L ed 966, 969; 37 S.Ct. 492.

Petitioner's second basic complaint is that the issues involved in the State Action and in the Federal Action were different issues. Petitioner fails to develop this theory and fails to cite any authority for the proposition that: "[A]nd state law is not the same as that embodied in the Lanham Act or applicable to rights arising thereunder."

Indeed, Petitioner cannot now assert that the issues involved in the State Action and in the Federal Action were different issues in view of his own expressed statements as to the claims in issue in the State Action. As described in the opinion of the Court of Appeal of the State of California, the complaint filed in the State Action: "[I]s phrased in 14 overlapping causes of action. In essence, it alleges that Dancer and Sterling 'appropriated' appellant's trademark 'Tower of Babble' and that their use of it diluted and disparaged the mark. There is vague reference in the complaint to a theory of unfair competition. The complaint seeks injunctive relief and damages in the amount of $10,500,000." (Appendix C to Petition for Writ of Certiorari, p. 3.) The complaints in both actions, both of which were presented to the United States Court of Appeal for the Ninth Circuit, alleged the same trademark as the foundation of Petitioner's claim and alleged the same conduct on the part of Sterling and Dancer.

On appeal in the California Court of Appeal, Dawn contended, *inter alia:* "[C]onsidering the deposition and appellant's affidavit in the manner required on motions for summary judgment, there are triable factual issues raised on his claims of trademark infringement, dilution and disparagement." (Appendix C to Petition for Writ of Certiorari, p. 4.) In his closing brief to the

California Court of Appeal, Petitioner advised the court that his action in the Superior Court:

> "[W]as brought before the court below as a result of defendants' wrongful and intentional violations of, or injuries to, plaintiff's rights, property and his trademark, good will, business, labor and *any and all rights therewith associated.* Plaintiff's claims are not limited to any rights granted by statute. * * * Initially, plaintiff's rights arise from his origination, prior adoption, use and ownership of the unique combination of words and valid technical trademark 'Tower of Babble'." (Appellant's Closing Brief, pp. 39-40, filed in the Court of Appeal, Second Appellate District, State of California, in 2nd Civ. No. 37416.) [Emphasis added.]

Petitioner further contended:

> "Whether unfair competition exists is a question of fact. [Citations omitted] And in an action for unfair competition determination of the likelihood of confusion is ordinarily one of fact. [Citations omitted] As in the matter of trademark infringement, an action for unfair competition requires no particular kind of confusion, if any." (Appellant's Closing Brief, *supra,* p. 35.)

Accordingly, it is clear that Petitioner urged relief in the State Action on the theories of trademark infringement, unfair competition and disparagement. It is equally clear that the Court of Appeal of the State of California considered that those issues were presented, as shown in the following:

> "The record establishes that there is no triable issue of fact with respect to appellant's right to damages or injunction for traditional trademark in-

> fringement or pursuant to Civil Code section 3369. To the contrary, it is clear that on the record respondents must prevail on those issues. There is no possibility that the use of the phrase 'Tower of Babble' by respondents to describe the multitude of claims of competitors selling pain pills in any way describes Bayer aspirin [sic] sold by Sterling or that the phrase refers to any product at all. There is thus no simulation of the goods of Sterling as those of appellant and no possibility that the use of the phrase can be misleading. Neither is there any possibility on the record before us that respondents' use of the phrase can be said to be unfair to appellant or misleading to the public." (Appendix C to Petition for Writ of Certiorari, pp. 6-7.)

It is apparent that the State Court viewed likelihood of confusion as an issue in the State Court action and determined that there was no likelihood of confusion under the facts of this case. It is that issue which Petitioner seeks by this Petition to relitigate. However, it is a settled rule of law that once an issue has been finally determined, it cannot be raised in another litigation between the same parties and the effect of the prior adjudication is *res judicata.*

> *Heiser v. Woodruff* (1946), 327 U.S. 726, 732-734; 90 L ed 970, 976; 66 S.Ct. 853.

As this Court has previously observed: "The general principle announced in numerous cases is that a right, question or fact distinctly put in issue and directly determined by a court of competent jurisdiction, as a ground of recovery, cannot be disputed in a subsequent suit between the same parties or their privies; and even

if the second suit is for a different cause of action, the right, question or fact once so determined must, as between the same parties or their privies, be taken as conclusively established so long as the judgment in the first suit remains unmodified." *Southern Pacific Ry. Co. v. United States* (1897), 168 U.S. 1, 48, 49; 42 L ed 355, 376, 377; 18 S.Ct. 18; *See also: United States v. Munsingwear* (1950), 340 U.S. 36, 38; 95 L ed 36, 40.

As the Ninth Circuit has put it on a previous occasion:

> "Suffice to say, every person is entitled to his day in court, but no more. The administration of justice requires that there be finality to the judicial process."
>
> *Bullen v. DeBretteville* (9th Cir. 1956), 239 F. 2d 824, 829.

Petitioner's third complaint is that the District Court used the wrong rule of law in deciding summary judgment on the issues of unfair competition, and trademark infringement. The basis for Petitioner's belief in this regard seems to be his misconception that the District Court required likelihood of confusion as to the source or origin of goods. Assuming, *arguendo,* that the District Court did erroneously grant summary judgment in favor of Respondents, there is nevertheless no error that is prejudicial to Petitioner inasmuch as he is collaterally estopped from relitigating the question of likelihood of confusion under the facts of this case in view of the final judgment in the State Action. Thus, any errors occurring in the granting of summary judgment by the District Court in favor of Respondents have been rendered moot.

Moreover, there is no question but that the District Court correctly determined the question of confusion. As the District Court stated in its opinion:

> *"It seems inconceivable that the use by defendant Sterling of the phrase 'Tower of Babble' in the promotion of aspirin would confuse its product with plaintiff's game or have any tendency to bring about an intrusion into plaintiff's profits;* nor does it seem likely that anyone knowing plaintiff as a manufacturer of games and reading Sterling's advertisement of Bayer Aspirin which includes the use of the phrase 'Tower of Babble' would be likely to believe that there was a connection between the two products or that plaintiff was the manufacturer of Bayer Aspirin. Likewise, defendant's aspirin is being sold as Bayer Aspirin and not as 'Tower of Babble' aspirin." [Emphasis added.]

As is apparent from the foregoing, the District Court found no likelihood of confusion between the two products and found, *in addition,* no likelihood of confusion as to the source or origin of the goods. The District Court thus considered any possible area of confusion and found no likelihood of confusion.

Conclusion.

The issues Petitioner seeks to have reviewed by this Court are without merit as shown above. The State Court judgment observed "due process" in all respects and Petitioner's complaint with that judgment is a matter of State procedural law. Petitioner's own characterization of the issues in the State Action admitted there that the theories of trademark infringement, unfair competition and trademark disparagement were

to be decided and Petitioner cannot now be heard to contend that different issues were involved. Finally, the District Court obviously applied the correct rule of law in entering summary judgment against Petitioner. Accordingly, we urge the Court to deny the Petition for Writ of Certiorari.

Respectfully submitted,

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